

LOUISIANA PUBLIC SERVICE COMMISSION
MINUTES FROM AUGUST 6, 2014
OPEN SESSION

MINUTES OF AUGUST 6, 2014 OPEN SESSION OF THE LOUISIANA PUBLIC SERVICE COMMISSION HELD IN BATON ROUGE, LOUISIANA. PRESENT WERE CHAIRMAN ERIC SKRMETTA, VICE CHAIR CLYDE HOLLOWAY, COMMISSIONERS FOSTER CAMPBELL, LAMBERT BOISSIERE, SCOTT ANGELLE and EXECUTIVE SECRETARY EVE KAHAO GONZALEZ.

Open Session of August 6, 2014, convening at 9:27 A.M. and adjourning at 12:50 P.M., Natchez Room, 602 N. 5th Street, 1st Floor, Baton Rouge, Louisiana, with the above-named members of the Commission and Executive Secretary Eve Kahao Gonzalez.

Ex. 1	<p>Announcements</p> <p>Karen Haymon, on behalf of Commissioner Holloway, introduced new employee Liz Matthews. Liz will be working out of the Forest Hill office.</p> <p>Commissioner Boissiere introduced Jared Reese as his new Technical Assistant.</p> <p>Chairman Skrmetta confirmed that the October B & E Meeting will be held in New Orleans at the Supreme Court.</p> <p>Chairman Skrmetta requested that Staff provide a report at the September B & E on the amount of money spent by the ratepayer since implementing the renewable energy docket and the energy efficiency docket.</p> <p>Chairman Skrmetta announced that closings were taking place for the sale of \$315 million in bonds to cover the costs incurred by Entergy Gulf States Louisiana and Entergy Louisiana as a result of the damage caused by Hurricane Isaac in August and September 2012. These funds will also serve to partially replenish storm reserves so that these utilities can be prepared for future hurricane and tropical storm events. The bonds are being sold at interest rates of 2.86% for EGSL and 2.97% for ELL. These are the lowest costs storm securitization bonds ever sold in Louisiana. They are AAA rated and the interest rate is far less than half of what carrying charges would have been had these costs been financed through traditional utility ratemaking. Estimates are that Louisiana Commission-jurisdictional customers will save a <i>minimum</i> of \$157 million as a result of the use of this type of financing. These savings are made possible because of orders issued by this Commission to quantify (and I might add reduce) the storm costs for which EGSL and ELL sought recovery and financing orders to enable the securitization to go forward. Not only will the storms costs be paid for, but the reserves will ensure that in the future service will be restored safely, efficiently and without delay. Chairman Skrmetta thanked fellow Commissioners for the hard work they put in and for enabling ratepayers to take advantage of these savings and he thanked members of the Louisiana Utilities Restoration Corporation, the Louisiana Local Government and Environmental and Community Development Authority and the State Bond Commission for their help and cooperation. Finally, he thanked Staff for their hard work and persistence in seeing this through.</p>
Ex. 2	<p>Discussion and questions for Cleco Board of Directors</p> <p>In attendance was CEO Bruce Williamson, Board Members Bill Marks, Bill Walker, Elton King, and Vicki Bailey and Cleco's attorney Wade Hoefling to answer questions.</p> <p>Commissioner Skrmetta asked that a copy of the transcript from the introduction to close of discussions be provided to all Board Members both in attendance and absent for later review.</p>
Ex. 3	<p>Request for Reconsideration of Order Nos. U-33036 and U-32779</p> <p>In re: Discussion and possible vote to reconsider orders</p> <p>(Ex. 9 on July 9, 2014 B & E Agenda)</p> <p>PULLED</p>

Ex. 4	<p>T-33221 - Louisiana Public Service Commission vs. Inc. JKJ Transportation, LLC (Pitkin, Louisiana). In re: Alleged violation of Louisiana Revised Statutes Title 45:161 through 180.1 as amended, by operating beyond the scope of authority granted in LPSC 6801-A on three (3) counts; and alleged violation of Louisiana Revised Statute Title 45:169 and LPSC Order 9901 as amended by authorizing vehicles not registered with or leased to JKJ Transportation, LLC to utilize Common Carrier Certificate 6801-A on twelve (12) counts; allegedly occurring on or about January 1, 2014 through February 28, 2014.</p> <p>In re: Discussion and possible vote on stipulated agreement pursuant to Rule 57</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Angelle, and unanimously adopted, the Commission voted to assert its original and primary jurisdiction and take this matter up pursuant to Rule 57.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to approve the stipulated agreement signed July 22, 2014.</p>
Ex. 5	<p>T-33222 - Louisiana Public Service Commission vs. Car-Tex Transport and Vacuum Service, Inc. (Carthage, Texas). In re: Alleged violation of Louisiana Revised Statute Title 45:166 and LPSC Order 9901 as amended, by authorizing vehicles not affiliated with Car-Tex Transport and Vacuum Service, Inc. to utilize Common Carrier Certificate 5591-E on six (6) counts; allegedly occurring on or about January 1, 2014 through January 31, 2014.</p> <p>In re: Discussion and possible vote on stipulated agreement pursuant to Rule 57.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to assert its original and primary jurisdiction and take this matter up pursuant to Rule 57.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to approve the stipulated agreement signed July 2014.</p>
Ex. 6	<p>T-33223 - Louisiana Public Service Commission vs. Puttco Oilfield Services, LLC (Jennings, Louisiana). In re: Alleged violation of Louisiana Revised Statutes Title 45:161 through 180.1 as amended, by operating beyond the scope of authority granted in LPSC 7799 on two (2) counts; allegedly occurring on or about January 1, 2014 through January 31, 2014.</p> <p>In re: Discussion and possible vote on stipulated agreement pursuant to Rule 57.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Angelle, and unanimously adopted, the Commission voted to assert its original and primary jurisdiction and take this matter up pursuant to Rule 57.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Angelle, and unanimously adopted, the Commission voted to approve the stipulated agreement signed June 27, 2014.</p>
Ex. 7	<p>S-32951 - Alabama Water System, Inc., ex parte. In re: Request for an increase in water rates (non-profit system)</p> <p>In re: Discussion and possible vote on Staff's recommendation</p> <p>(Ex. 4 on July 9, 2014 B & E Agenda)</p> <p>PASSED</p>

Ex. 8	<p>S-32792 - Innis Water Corporation, Inc., ex parte.. In re: Request for a Letter of Non Opposition regarding application for a USDA RUS Loan and grant.</p> <p>In re: Discussion and possible vote on Staff's recommendation.</p> <p>On motion of Commissioner Angelle, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to approve Staff recommendations as follows:</p> <ol style="list-style-type: none"> 1. Issue a letter of non-opposition to Innis granting approval for the USDA/RUS. 2. The Company be allowed to enter into a financing agreement with the USDA to acquire a \$1,571,000 loan and \$1,004,000 grant to fund Phase-IV of capital improvements for the Company's water system. 3. The Company shall file, with the Commission, a copy of all finalized loan agreements signed by representatives of both Innis and the USDA, along with any related documentation, under Docket No. S-32792 and Docket No. S-33051 within thirty (30) days of closing.
Ex. 9	<p>S-33051 - Innis Water Corporation, Inc., ex parte. In re: Application for an increase in water rates (non-profit)</p> <p>In re: Discussion and possible vote on Staff's recommendation.</p> <p>On motion of Commissioner Angelle, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to approve Staff recommendations allowing a rate increase from \$14.00 to \$18.00 for 0 – 2,000 gallons and \$3.50 to \$4.75 for each additional 1,000 gallons for residential and amending the minimum number of gallons for commercial ratepayers from 10,000 gallons to 5,000 gallons.</p>
Ex. 10	<p>S-33053 - Sage Telecom Communications, LLC, ex parte. In re: Application for Designation as an Eligible Telecommunications Carrier in Louisiana for the Limited Purpose of Offering Wireless Lifeline Service.</p> <p>In re: Discussion and possible vote on Staff's recommendation.</p> <p>PASSED</p> <p>Commissioner Boissiere was temporarily absent.</p>
Ex. 11	<p>S-33152 - Budget PrePay, Inc., D/B/A Budget Mobile, ex parte. In re: Application of Budget PrePay, Inc. d/b/a Budget Mobile for Expanded Designation as a Lifeline-Only Eligible Telecommunications Carrier in Louisiana.</p> <p>In re: Discussion and possible vote on Staff's recommendation.</p> <p>PASSED</p>
Ex. 12	<p>U-32977 - Dixie Electric Membership Corporation ("DEMCO"), ex parte. In re: Request for Establishment of Regulatory Asset and Recovery of Hurricane Isaac Storm Restoration and Repair Expenses</p> <p>In re: Discussion and possible vote on Uncontested Stipulated Settlement.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, with Commissioner Holloway and Commissioner Angelle concurring, and Commissioner Boissiere temporarily absent, the Commission voted to accept the Joint Stipulation Term Sheet as filed into the record on July 17, 2014.</p>
Ex. 13	<p>U-33011 - Mo-Dad Utilities, LLC ("Mo-Dad"), ex parte. In re: Application for Rate Increase and Request for Letter of Non-Opposition to Borrowing Funds.</p> <p>In re: Discussion and possible vote on Proposed Partial Uncontested Stipulated Settlement Agreement.</p> <p>PASSED</p>

Ex. 14	<p>U-33063 - Dixie Electric Membership Corporation ("DEMCO"), ex parte. In re: 2013 Formula Rate Plan Annual Report and Application for Extension of Formula Rate Plan with Modifications.</p> <p>In re: Discussion and possible vote on Uncontested Stipulated Settlement.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, with Commissioner Holloway and Commissioner Angelle concurring, and Commissioner Boissiere temporarily absent, the Commission voted to accept the Joint Stipulation Term Sheet as filed into the record on July 17, 2014.</p>
Ex. 15	<p>U-33203 - L&R Utilities, Inc., ex parte. In re: Application for Adjustment in Retail Rates and Letter of Non-Opposition to Borrowing Funds for Improvements for L&R Utilities, Inc.</p> <p>In re: Discussion and possible vote on requested interim rate relief.</p> <p>(Ex. 13 on July 9, 2014 B & E Agenda)</p> <p>On motion of Commissioner Campbell, seconded by Commissioner Holloway, with Commissioner Skrmetta and Commissioner Angelle concurring, and Commissioner Boissiere temporarily absent, the Commission voted to grant L & R Utilities an interim rate of \$5.00 on their water and waste water services provided the company is able to secure a line of credit. In the event the company cannot secure a line of credit, the company shall escrow said funds until the completion of the rate case.</p>
Ex. 16	<p>R-26968 - Louisiana Public Service Commission, ex parte. In re: Review of the General Order dated March 12, 1999. (Pole Attachment Rates)</p> <p>In re: Discussion and possible vote on draft rule.</p> <p>(Ex. 6 on July 9, 2014 B & E Agenda)</p> <p>On motion of Commissioner Holloway, seconded by Commissioner Angelle, and unanimously adopted, the Commission voted to approve and adopt the final draft of the proposed rule (“the New Order”) that was circulated to the parties on July 9, 2014.</p>
Ex. 17	<p>1) Reports <u>Staff Report on LPSC Technical Conference</u> An LPSC Technical Conference to address issues related to MISO, was held on July 29, 2014. The Technical Conference was held in response to Chairman Skrmetta’s directive at the June 2014 B&E. Mr. Noel Darce of Stone Pigman Walther Wittmann L.L.C., outside counsel representing the Commission, provided a report of the conference. Commissioner Skrmetta would like another conference scheduled in the last quarter of this year and to continue on moving forward.</p> <p>2) Resolutions 3) Discussions 4) ERSC/OMS Business 5) Directives</p> <p><u>Directive from Commissioner Campbell regarding implementation by electric utilities of an emergency communications system to customers when outages occur.</u></p> <p>I would like all regulated electric utilities to implement an emergency communications system to provide automated telephone and/or text messages to customers when outages occur. This system would let customers know when their power is out and when it will be back on. The system would keep customers better informed during electrical outages, whether they report an outage themselves or not, and provide updated information about restoration efforts. The system would notify customers when power is restored and give the cause of the outage. Customers would not be contacted after 10 p.m. or before 8 a.m. Customers can opt out.</p> <p>I understand that Rulemaking Docket R-32786 was opened to address best practices for disaster planning and response. Part of Staff’s work in that docket has included looking at communication requirements of electric utilities during outage situations. Therefore, I think it’s appropriate and I direct Staff to include these requirements in the proposed rules to be issued for comment in Docket No. R-32786. I would ask that Staff issue these proposed rules as soon as possible.</p>

Ex. 18	<p><u>Directive from Commissioner Holloway to Staff regarding AT&T Service Quality and Restoration of Service to Landlines.</u></p> <p>At the request of Commissioner Holloway.</p> <p>In recent months, my office has logged a number of complaints regarding AT&T’s response time to repair outages to local telephone service. It is my understanding that other districts are dealing with similar complaints. Accordingly, I direct Staff to open a docket to investigate AT&T’s service quality, focusing on outage repair times, and recommend fines and penalties if necessary.</p> <p>I further direct that AT&T Louisiana’s President, Ms. Sonia Perez, appear at the September B&E for questioning on these matters.</p>
Ex. 19	<p><u>Directive from Commissioner Skrmetta to Investor owned utilities (electric and gas) to review small customer economic incentive tariffs available in Mississippi and Alabama for possible application to Louisiana customers.</u></p> <p>At the request of Commissioner Skrmetta.</p> <p>Directive from Commissioner Skrmetta to Investor owned utilities (electric and gas) to review small customer economic incentive tariffs available in Mississippi and Alabama for possible application to Louisiana customers. Commissioner Skrmetta asks that Staff to investigate and report to the commission if a docket is needed.</p>
Ex. 20	<p>Resolution on Connect America Fund Phase 2.</p> <p>At the request of Commissioner Campbell.</p> <p>On motion of Commissioner Campbell, seconded by Commissioner Skrmetta, and unanimously adopted, the Commission voted to adopt resolution on Connect America Fund Phase 2.</p>
Ex. 21	<p>Demand Response Compensation in Organized Wholesale Entergy Markets-FERC Order No. 745 [FERC Docket RM-10-17]</p> <p>In re: Discussion and possible vote to submit a letter supporting the decision of the United States District Court for the DC Circuit in its decision in Electric Power Supply Ass’n v. FERC, D.C, Cir. Nos. 11-1486, et al. (May 23, 2014) (“EPSA”).</p> <p>At the request of Commissioner Skrmetta.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to submit a letter supporting the decision of the United States District Court.</p>
Ex. 22	<p>R-31417 - LPSC, ex parte. In re: Re-examination of the Commission's Net Energy Metering Rules found in General Order No. R-27558, dated November 30, 2005 (the “Net Metering Order”)</p> <p>In re: Discussion and possible vote to modify Sections 2.04C and 5.02 of the Commission’s net metering rules as most recently amended by the General Order dated July 26, 2013 (Docket No. R-31417).</p> <p>At the request of Commissioner Skrmetta.</p> <p>PULLED</p>

On motion of Chairman Holloway, seconded by Commissioner Boissiere, and unanimously adopted, the Commission voted to adjourn.

MEETING ADJOURNED

The next Business and Executive Session will be held Wednesday September 10, 2014 at 9:00 a.m. in Baton Rouge, Louisiana.